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JULY 1, 2004 3-47 PM

SURFACE TRANSPORTATION BOARD

RECORDED AND INDEXED
AND SERIALIZED - FILED - INDEXED - FILED

RECORDED
INDEXED - FILED

July 1, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Assignment, dated as of July 9, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Merne Landrum of Mortgage which was previously filed with the Board under File Number 23779.

The names and addresses of the parties to the enclosed document are:

Partnership:

The Grand Leasing Partnership, LLP
c/o Paulson Leasing Limited
Quintonsgate House
South Church Street
Grand Cayman
Cayman Islands

Partner A:

Grand Funk Limited
P O Box 1093 GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

Partner B:

Invictus American Rail Leasing #33 LLC
Allaire, Blodget & Brown Rail Leasing,
230 Park Avenue, 32nd Floor
New York, New York 10169
Attention: Rail Operating Lease Group

Mr. Vernon A. Williams
July 1, 2004
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(Indenture Trustee: Lombard North Central plc
Corporate Finance Division
No 2 Waterhouse Square
138-142 Holborn
London EC1N 2H
England)

A description of the railroad equipment covered by the enclosed documents

1,772 railcars within the following series:

ATW 8000 - ATW 8030
BCAX 200 - BCAX 275
BNSF 519200 - BNSF 519399
BNSF 537000 - BNSF 537019
CEFX 62390 - CEFX 92934
CEFX 81074 - CEFX 81173
CEFX 95071 - CEFX 95719
CSWX 7361 - CSWX 7480
EDEX 099001 - EDEX 099422
LCEX 350 - LCEX 399
NS 164480 - NS 164699
NORX 6000 - NORX 6239
WCRC 3000 - WCRC 3324

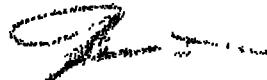
A short summary of the document to appear in the index is:

Memorandum of Security Assignment.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required notarization fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alford

RWA/bmc:1
Enclosures

M 0 9 04 3-47 PM
EXCUTION VERSION

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY ASSIGNMENT

This Memorandum of Security Assignment is dated as of July 7, 2004, made by The Grand Leasing Partnership, LLP (the "Partnership"), Faust Limited ("Partner B") and North America Rail Leasing #33 L LC (d/b/a Batack & Brown Rail Leasing) (also, "Head Lessee"), and together with the Partnership and Partner B, the "Parties") in favor of Landmark North Central, Inc. (the "Insulating Trustee"). Terms used in this instrument have the meanings assigned thereto (with other by reference to another document as otherwise) in the certain Security Assignment (IN SOL III Insulation Re-awarding) dated as of the date hereof (as amended, modified or supplemented, the "Security Assignment") among the Partnership, Partner B, the Head Lessee and the Insulating Trustee.

WITNESSETH:

WHEREAS, concomitantly herewith, Partner B and the Partnership will enter into the Transition Agreement, pursuant to which the Partnership will transfer to Head Lessee all of the Partnership's rights in the Assignable Items payable by the Head Lessee under the Head Lease.

WHEREAS, concomitantly herewith, the Partnership and the Head Lessee will execute and deliver the Head Lease in respect of the equipment listed on Exhibit A hereto (the "Equipment") and a Lease Assignment in respect of each Lease, pursuant to which the Partnership assigns to the Head Lessee the leasehold interest on Exhibit B hereto and all other leases it may be entitled to under the Head Lease in respect of the Equipment (the "Leases");

WHEREAS, Exhibit B has misprinted, unnumbered and duplicate sets of the Schedule of all of the equipment, lease and underlying documents and agreements and assignments. Note, that the Head Lease has a copy of, unnumbered and duplicate sets of the Head Lease with all its original, title, and assignment can, for and consider the it retains, and give the Partnership full assignments, unnumbered and copies of all the documents, all of its original, title and assignments in the original unnumbered Head Lease, other Leases, and the Security Assignment; and

WHEREAS, the Parties desire to ensure that the public record the existence of all the above-named Security Assignment, and the respective interests therein of the Parties, and accordingly the Parties have executed this instrument for their mutual convenience.

NOW, THEREFORE, on consideration of the mutual promises, covenants and Leases as set forth hereinabove, the Partnership and the Head Lessee will make the following stipulations for each of the Parties, by whom unexecuted copies of the Partnership and the Head Lessee, respectively, are designated, placed and verified, and will be held in confidence by the aforesaid officers, as of the date hereof without limitation:

IN WITNESS WHEREOF, the parties have signed this instrument this 7th day of July, 2004.

EN WITNESS WHEREON, each of the Partnership, Partner B and the New Lessee has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**THE GRAND LEASING PARTNERSHIP, LLP, as
Partnership**

By: Railmont Leasing Limited, the General Partner

By:

Name: Gary Adair
Title: Director

FLINK LIMITED,

as Partner B

By:

Name: Philip Brooks
Title: Director

NORTH AMERICA RAIL LEASING #13 L.L.C.
(a/k/a Lubbock & Brooks Rail Leasing),
as New Lessee

By:

Name:
Title:

IN WITNESS WHEREOF, each of the Partnership, Partner B and the Head Lessee has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

'THE GRAND LEASING PARTNERSHIP, LLP, as
Partnership

By: Railroad Leasing Limited, its General Partner

By:

Name:
Title:

FUNK LIMITED,
as Partner B

By:

Name:
Title:

WORLD AMERICA RAIL LEASING #3 LLC
(d/b/a Babcock & Brown Rail Leasing),
as Head Lessee

By:


Name: Bruce Coughlin
Title: Vice President

On this, the 18th day of June, 2004, before me, a Notary Public in and for the Cayman Islands personally appeared Phillip Hinds, a Director of Funk Limited, who acknowledged himself to be a duly authorized Officer of Funk Limited, and that, as such Officer, being duly authorized to do so, he executed the foregoing instrument . . . purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set . . . and affixed my seal on the date above mentioned.



Name: Wendy Banks
Notary Public

My Commission Expires: 31 January, 2005

Residing in: Cayman Islands

On this, the 18th day of June, 2004, before me, a Notary Public in and for the Cayman Islands, personally appeared Guy Major, who acknowledged himself to be a duly authorized person of the General Partner of The Grand Leasing Partnership, LLP, and that, as such duly authorized person, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Name: Wendy Eberle
Notary Public

My Commission Expires: 31 January, 2005

Residing in: Cayman Islands

State of New York)
County of New York)

On this the 30th day of June, 2004, before me, a Notary Public in and for said " " , NY
and State, personally appeared Bruce Carol, a Vice President of North America Rail Inc.
#13 L.L.C. (d/b/a Babcock & Brown Rail Leasing), who acknowledged himself to me to be a duly
authorized officer of North America Rail Leasing #13 L.L.C. (d/b/a Babcock & Brown Rail
Leasing), and that, as such officer, being authorized so do so, he there did sign the foregoing
instrument for the purposes herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date
above mentioned.

Stephen Ba
Stephen Ba
Notary Public
My Commission Expires: May 5, 2005
Residing in: New York, NY

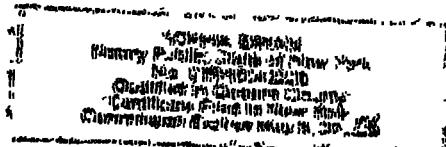


Exhibit A

EQUIPMENT

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
Blue Circle Inc	76	Covered Hoppers	BCAX 300-275, inclusive	None
The Burlington Northern and Santa Fe Railway Company #1	200	Milk Gondolas	BNSF 5191 A-519399, inclusive	None
The Burlington Northern and Santa Fe Railway Company #2	48	Covered Coil Cars	BNSF 537001-537011, inclusive; and 537013-537049, inclusive	BNSF 503010
Canadian Pacific Railway Company	30	Covered Coal Cars	ATW 80001-80030, inclusive	None
Central Power and Light Company	118	Aluminum Rotary Gondolas	CSWX 7361-7480, inclusive	CSWX 7469 and 7474
The Empire District Electric Company	125	BethCon Coalporter Open Top Gondolas	EDEX 099001-099002, and 099300-099422, inclusive	None
LaFarge Corporation -- Group #1	100	Covered Hoppers	CEFX 81074-81173, inclusive	None
LaFarge Corporation -- Group #2	35	Covered Hoppers	CEFX 95071, 95094-95496 inclusive; 95100, 95105-95117, inclusive; 95120-95125, inclusive; 95127, 95132, 95134, 95138, inclusive; 95140, 95141, 95143 and 95144	None

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
LaFarge Corporation - Group #3	30	Covered Hoppers	CEFX 91622-95624, inclusive; 95628-95634, inclusive; 95636-95639, inclusive; 95642-95644, 95666-95668, inclusive; 95671, 95672, 95673, 95676, 95712-95715, inclusive; and 95717-95719, inclusive	None
Lone Star Industries, Inc.	49	Covered Hoppers	LCEX 350-399, inclusive	LCEX 396
Norfolk Southern Railway Company	220	Coil Cars	NS 164430-164692, inclusive	None
Northern Indiana Public Service Company	237	BethGas Coalporter	NORX 6000-674, inclusive	NORX 6105, C-11 and 6160
Union Pacific Railway Company	171	Open Top Gondolas	WCRC 3000-3174, inclusive	WCRC 3083
Union Pacific Railway Company	149	Open Top Gondolas	WCRC 3175-3324, inclusive	WCRC 3223

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Cashout Marks</u>
Virginia Electric and Power Company	181	Coal Hoppers	CEFX 62390, 62395, 62408, 62412, 62428, 62436, 62440, 62445, 62697, 62698, 62701, 62704-62706, inclusive; 62708, 62710-62720, inclusive; 62722-62724, inclusive; 62728, 62729, 62731, 62734-62736, inclusive; 62738-62743, inclusive; 62745, 62746, 62750, 62752, 62753, 62757-62761, inclusive; 62763-62765, inclusive; 62768-62772, inclusive; 62775-62778, inclusive; 62780, 62781-62784, inclusive; 62791, 62501, inclusive; 62803, 62805, 62808, inclusive; 62811- 62814, inclusive; 62816, 62819-62823, inclusive; 62825-62829, inclusive; 62831, 62833, 62834, 62837-62846, inclusive; 62849-62852, inclusive; 62854, 62856, 62857, 62859-62864, inclusive; 62867-62876, inclusive; 62878, 62880-62883, inclusive; 62885-62891, inclusive; 62896-62898, inclusive; 62901-62905, inclusive; 62907-62910, inclusive; 62912, 62915, inclusive; 62918, 62919, 62921-62926, inclusive; and 62928-62934, inclusive	None

LEASES

1. Blue Circle Inc.

Railcar Equipment Lease dated as of July 10, 2000 entered into by and between The Grand Leasing Partnership, LLP (the "Partnership"), as lessor, and Blue Circle Inc., as lessee, as amended, modified or supplemented from time to time, together with Lease Supplement No. 1 to Railcar Equipment Lease dated as of July 10, 2000

2. The Burlington Northern and Santa Fe Railway Company

Master Railcar Lease made as of October 31, 1997 entered into by and between the Partnership, as lessor, and The Burlington Northern and Santa Fe Railway Company, as lessee, as amended, modified or supplemented from time to time, together with Schedule No. 01 to Master Railcar Lease made as of October 31, 1997.

3. Central Power and Light Company

Railcar Equipment Lease dated as of November 24, 1997 entered into by and between the Partnership, as lessor, and Central Power and Light Company, as lessee, as amended, modified or supplemented from time to time, together with Rider 1 to Railcar Equipment Lease dated November 24, 1997.

4. The Empire District Electric Company

Railcar Equipment Lease dated as of June 25, 1999 entered into by and between the Partnership, as lessor, and The Empire District Electric Company, as lessee, as amended, modified or supplemented from time to time, together with Rider 1 to Railcar Equipment Lease dated as of June 25, 1999.

5. LaFarge Corporation #1

Master Net Railcar Lease made as of July 9, 2001 entered into by and between the Partnership, as lessor, and LaFarge Corporation, as lessee, as amended, modified or supplemented from time to time, together with Schedule No. 01 to Master Net Railcar Lease dated as of July 9, 2001, made as of July 18, 2001.

6. LaFarge Corporation #2

Master Railcar Lease made as of June 23, 2000, effective as of July 1, 1999, between the Partnership, as lessor, and LaFarge Corporation, as lessee, as amended, modified or supplemented from time to time, together with Schedule No. 93 to Master Railcar Lease dated as of June 23, 2000, made as of August 10, 2000.

7. LaFarge Corporation #3

Master Railcar Lease made as of June 23, 2000, effective as of July 1, 1999, between the Partnership, as lessor, and LaFarge Corporation, as lessee, as amended, modified or supplemented from time to time, together with Schedule No. 95 to Master Railcar Lease, dated as of June 23, 2000, made as of May 9, 2001.

8. Lone Star Industries, Inc.

Master Net Railcar Lease made as of June 26, 2001 between the Partnership, as lessor, and Lone Star Industries, Inc., as lessee, as amended, modified or supplemented from time to time, together with Schedule No. 01 to Master Net Railcar Lease made as of June 26, 2001.

9. Norfolk Southern Railway Company

Master Railcar Lease dated as of April 28, 2004, effective as of April 1, 2004, entered into by and between the Partnership, as lessor, and Norfolk Southern Railway Company, as lessee, as amended, modified or supplemented from time to time, together with Schedule No. 1 to Master Railcar Lease dated as of April 28, 2004, effective as of April 1, 2004.

10. Northern Indiana Public Service Company

Railcar Equipment Lease dated as of August 27, 1999 entered into by and between the Partnership, as lessor, and Northern Indiana Public Service Company, as lessee, as amended, modified or supplemented from time to time, together with Rider 1 to Railcar Equipment Lease dated as of August 27, 1999 and Rider 2 to Railcar Equipment Lease, dated as of August 30, 1999.

11. Union Pacific Railroad Company (f/k/a Southern Pacific Transportation Company)

Lease Agreement dated as of April 26, 1999 by and between the Partnership, as lessor, and Union Pacific Railroad Company (f/k/a Southern Pacific Transportation Company) as lessee, as amended, modified or supplemented from time to time.

12. Virginia Electric and Power Company

Master Railcar Lease made as of May 1, 2001 between the Partnership, as lessor, and Virginia Electric and Power Company, as lessee, as amended, modified or supplemented from time to time, together Schedule No. 02 to Master Railcar Lease made as of May 29, 2001.

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